

National Advisory Committee on Sheltered
Workshops. Wage and Hour and Public
Contracts Division. U.S. Dept. Of Labor.

A STATEMENT OF ELEMENTARY STANDARDS
RESPECTING THE POLICIES, ORGANIZATION
OPERATION AND SERVICE ACTIVITIES OF
SHELTERED WORKSHOPS.



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A Statement of Elementary Standards

respecting
the Policies, Organization,
Operation, and Service Activities
of Sheltered Workshops

*Published by the Members of the National Advisory
Committee on Sheltered Workshops, Wage and Hour
and Public Contracts Division, U. S. Department of
Labor.*

FOREWORD

In the course of our work as members of the National Advisory Committee on Sheltered Workshops, we have found it difficult to appraise and evaluate the services of shops to handicapped persons. There exist no generally accepted standards covering their policies, organization, operation, and service activities.

Out of our experience, and in broad consultation with others, we have evolved certain elementary standards as a guide to ourselves. They are published in this brochure in the thought they might be helpful to others who may be called upon to appraise and evaluate the programs of sheltered workshops as they are defined herein.

The members of the Committee will welcome constructive criticism and suggestions as to the improvement of this statement of standards.

By the Members of the

National Advisory Committee on Sheltered Workshops
Wage and Hour and Public Contracts Divisions
U. S. Department of Labor

New York, N. Y.
May 31, 1944

STANDARDS FOR SHELTERED WORKSHOPS

Recommended By
The National Advisory Committee
on Sheltered Workshops

PREAMBLE

1. There are several hundred sheltered workshops in the United States having the common purpose of providing employment, training and rehabilitation to the physically, mentally and socially handicapped, helping them to help themselves.

2. There are no general common accepted standards to guide the organization, administration, operation and service of these workshops although several groups having national organizations do have standards to guide the shops affiliated with their national organizations.

3. Common acceptance of sheltered workshops as agencies essential to the rehabilitation and employment of a large proportion of the handicapped combined with the great increase in the number of persons permanently disabled because of the war and its related activities brings greater responsibilities to these workshops.

4. These responsibilities can be met and increased numbers of handicapped persons served only if there is full understanding of the operation of sheltered workshops on the part of the general public and full use made of the facilities of the shops by Federal, State and other governmental agencies and by all non-governmental agencies and organizations interested in and serving the handicapped.

5. Such understanding and use of sheltered workshops will be facilitated through the development of a statement of basic operation and service policies for sheltered workshops, the

observance of these policies by the shops, and the recognition of the policies by the general public and governmental, voluntary and other organizations, as minimum essentials when determining whether a sheltered workshop is a bona fide sheltered workshop and qualified for support, endorsement, accrediting and use as such.

6. The National Advisory Committee on Sheltered Workshops, sensing the great need for a statement of policy and at the request of a number of sheltered workshops and cooperating organizations, public and private, therefore presents the following definition of sheltered workshops and statement of policies which in its opinion should be observed in their organization, administration, operation and service. While the operation of sheltered workshops under government auspices are of necessity controlled by law, it is believed that they should maintain at least the standards applicable to them which are included in this statement.

DEFINITION

1. *Sheltered Workshop*: A charitable, religious, educational, or philanthropic organization or institution conducted not for profit, but for the purpose of carrying out a recognized program of rehabilitation for physically, mentally, spiritually and socially handicapped individuals and to provide such individuals with remunerative employment or other rehabilitating activity of an educational or therapeutic nature.

In varying degrees, these shops provide some or all of the following services: employment, employment training, occupational advice and placement, physical, occupational and work therapy, social services, financial subsidies, medical supervision, psychiatric care, and other services designed for the rehabilitation of the client.

2. *Rehabilitation*: Rehabilitation is the restoration of the handicapped and the disabled to the fullest physical, mental, moral, spiritual, social, vocational and economic extent possible.

3. *Physically Handicapped:* The "Physically Handicapped" include those individuals who by reason of physical defect or deformity, whether congenital or acquired by accident, injury, or disease, are, or may be expected to be, totally or partially incapacitated for remunerative occupation, such as the aged, the blind, the partially sighted, the cardiac, orthopedic and crippled, the deaf, the mute, the hard of hearing and the tuberculous.

4. *Mentally Handicapped:* The "Mentally Handicapped" include those of low intellectual level and those who because of psychotic, neurotic or other mental condition not requiring institutional care present personality, emotional, behavior and social problems causing them difficulty in adjusting themselves adequately and satisfactorily to situations arising in daily life including regular commercial employment.

5. *Socially Handicapped:* The "Socially Handicapped" include those individuals who through personality, emotional and behavior problems, economic circumstances or health problems resulting in loss of work habits, are, or may be expected to be, totally or partially incapacitated for remunerative occupation in industry.

POLICIES

1. *Auspices and Purpose:* An organization to be recognized as a bona fide sheltered workshop should meet the qualifications stated in the above definition of a "sheltered workshop" and observe the following policies and standards in its organization, administration, operation, and service activities.

2. *Incorporation:* A sheltered workshop or its parent organization should be incorporated as a non-profit charitable, religious, educational, philanthropic, or eleemosynary organization under the proper statute of the laws of the State.

3. *Directing Board:* A sheltered workshop should have a responsible directing board or management committee consisting of responsible and representative citizens of the community. The board or committee should meet at least quarterly and should exercise general supervision over the property, funds, management, operating and service policies, and development of resources.

4. *Qualified Leadership:* A sheltered workshop should have executive and staff personnel properly qualified for their respective responsibilities and who have special interest in service for the handicapped.

5. *Program of Service:* A sheltered workshop should be operating a definite program of service for one or more of the types of handicapped persons indicated in the definition of a "sheltered workshop." Such program should be planned and operated in relation to present and future needs of its clients and should result in clients attaining their fullest usefulness.

6. *Primary Purpose:* The primary purpose of a sheltered workshop is to serve its clients rather than to produce goods. Production of goods, while essential to the successful operation of the shop and providing the service opportunity for the handicapped, should nevertheless be kept incidental to the rehabilitation of the individual.

7. *Service Records:* A sheltered workshop should keep adequate service records of clients giving identifying and other information in sufficient detail to determine the needs of the client, chart his progress and record his ultimate disposition.

8. *Working Relations:* A sheltered workshop should seek to develop good working relations with other community organizations including social service agencies, governmental and voluntary, trade associations, civic, labor

and all other organizations which may be interested in or can contribute to the rehabilitation and placement of the handicapped.

9. *Buildings and Equipment:* Sheltered workshops should be properly located in relation to needs of clients in buildings with physical features conducive to their health, safety and well-being. Buildings should be properly equipped to carry out the purposes of the organization and conduct its industrial operations efficiently.

10. *Working Conditions:* A sheltered workshop should meet the requirements of Federal, State and local governmental regulations concerning working conditions and should constantly strive to improve working conditions beyond actual requirements to at least those attained by business and industrial establishments maintaining approved labor standards.

11. *Wages and Hours:* A sheltered workshop should cooperate in the furtherance of Federal and State wage and hour regulations and recognize its further obligation to develop and maintain wage standards comparable with prevailing wage or piece rate standards for similar production and quality of work as maintained by business and industrial establishments maintaining approved labor standards.

12. *Wages in Cash:* It is recommended that all wages earned in a sheltered workshop be paid in cash but in those instances where the program of the sheltered workshop provides for clients to live in facilities furnished by the shop, charges for service against wages earned should be limited to food, shelter and clothing. Deductions for such service should be made on the basis of actual cost to the shop for the service rendered rather than on the basis of cost of similar services outside the shop.

13. *Fair Trade Practices:* Sheltered workshops should observe fair trade practices when establishing selling prices of their products. The

quality of workmanship on their products should be comparable with the quality of similar types and grades of work in business and industry.

14. *Home-bound Clients:* Sheltered workshop programs for home-bound clients should provide special services including home visitation, securing and developing suitable therapeutic and remunerative work and other allied services. Identical criteria regarding standards of pay, adequate records regarding work performed, etc., should obtain for the home-bound clients as stated herein for the clients within the workshop.

The sheltered workshop should cooperate in the furtherance of all State and Federal regulations applicable to home-bound clients under its care.

15. *Trusteeship:* Sheltered workshops should recognize the fact that they are trustees of financial and other resources including public interest and certain privileges enjoyed so that they may better serve the handicapped. They should so use their entire resources and so conduct their operations and service that a maximum of self-help may be made available to the handicapped through their available resources.

16. *Accounting and Records:* Sheltered workshops should have adequate accounting, operation, sales and other records essential to the effective management of their enterprises. They should present operating and balance sheet statements to their responsible management board or committee at least quarterly. Their books should be audited annually by a certified public accountant especially employed for that purpose. Government operated workshops will present such financial and other statement to such bodies and at such times as are required by regulations governing their operations.

17. *Handling Cash:* Sheltered workshops should deposit all monies, checks and other receipts in the bank at regular intervals and should disburse funds only through the use of checks

properly signed, except that so called petty cash disbursements may be handled through the use of a revolving fund reimbursed by check from the general fund at regular intervals. Receipts should be secured for all money disbursed through such revolving fund. Receipts should be given for all money received and proper vouchers should be required for all money disbursed. All persons handling money should be properly bonded.

18. *Balances and Resources:* Sheltered workshops should seek always to maintain an adequate working balance in money or negotiable securities. An amount equal to at least the full amount required for one average month's operations should be the minimum amount deemed adequate. They should set up special reserve funds to provide for replacement of equipment and care of facilities, based on recognized depreciation tables and should keep such funds in separate bank accounts and investments restricted to the purpose for which the reserve is established.

19. *Credit:* Sheltered workshops should observe good business practice in payment of their obligations and should so far as possible discount all bills.

20. *Insurance:* Sheltered workshops should carry fire, liability, workmen's compensation and other forms of insurance to protect adequately the workshop, employees and clients, the general public having access to workshop property, and to protect all property for which the workshop is responsible.

21. *Use of Earned Operating Income:* No funds should be set aside out of earned operating income to provide for initial capital expenditures for equipment, buildings or expansion of activities until applicable minimum hourly or piece rate wages are being paid by the workshop. In no event should earned operating income of a

sheltered workshop be used for any purpose or activity other than that prescribed in the definition of a "sheltered workshop."

22. *Operating Deficit:* Sheltered workshops are non-profit enterprises providing employment, training and rehabilitation for the handicapped. To service adequately their clients, it is essential that they conduct a considerable amount of non-income producing service activities and frequently to subsidize the income of clients beyond the latter's actual earnings. When operating deficits are incurred because of such expenditures in the interest of the clients, such deficits should be raised through general, special or community fund money raising endeavors, tax funds or other subsidies.

23. *Conclusion:* As suggested in the Preamble, the above definitions, policies and standards covering the organization, administration, operation and service activities of sheltered workshops, constitute a basic statement developed to assist sheltered workshops; cooperating agencies, organizations and groups, and the general public, to assist in evaluating a bona fide sheltered workshop. As this statement of policy is enlarged, detailed standards of operation will be developed and goals of attainment looking toward further improvement of service for the handicapped will be prepared.

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